REGISTRY OF THE COMPETITION TRIBUNAL

Future-Oriented Financial Statement (unaudited)

Statement of Management Responsibility

Departmental management is responsible for this future-oriented financial statement, including responsibility for the appropriateness of the assumptions on which this statement is prepared. This statement is based on the best information available and assumptions adopted as at December 31, 2010 and reflect the plans described in the Report on Plans and Priorities.

The future-oriented Financial Statement for Registry of the Competition Tribunal has not been audited.

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Raynald Chartrand
Deputy Head and Registrar
Chief Financial Officer

Ottawa, Canada
Date: January 14, 2011

REGISTRY OF THE COMPETITION TRIBUNAL

Future-Oriented Statement of Operations *(Unaudited)*

For the Year Ended March 31

(in dollars)

	Forecast 2011	Forecast 2012
Operating Expenses		
Process Cases	$ n/a	$ 2,170,593
Internal Services	n/a	997,339
Total Operating Expenses	$ n/a	$ 3,167,932
Revenue		
Miscellaneous revenues	$ n/a	$ -
Net Cost of Operations	$ n/a	$ 3,167,932

REGISTRY OF THE COMPETITION TRIBUNAL

Future-Oriented Statement of Operations *(Unaudited)*

For the Year Ended March 31

(in dollars)

	Estimated Results 2011	Forecast 2012
Operating Expenses		
Process Cases	$ 1,199,523	$ 2,170,593
Internal Services	991,823	997,339
Total Operating Expenses	$ 2,191,346	$ 3,167,932
Revenue		
Miscellaneous revenues	$ 75,000	$ -
Net Cost of Operations	$ 2,116,346	$ 3,167,932

The Estimated Result 2011 include actual amounts from April 1, 2010 to December 31, 2010.

Segmented information (Note 8)

The accompanying notes form an integral part of these financial statements.

REGISTRY OF THE COMPETITION TRIBUNAL
Notes to Future-oriented Financial Statements (unaudited)

1. Authority and Objectives

The Competition Tribunal is a quasi-judicial adjudicative tribunal created in 1986 by the Competition Tribunal Act. Its mandate is to hear applications and issue orders related to the civil reviewable matters set out in Parts VII.1 and VIII of the Competition Act, whose purpose is to maintain and encourage competition in Canada, and to ensure that firms compete fairly and markets operate efficiently. The Tribunal has no other function and operates at arm's length from government and its departments.

The Competition Tribunal Act provides for an administrative infrastructure for the Registry. For the purpose of this report, a clear distinction between the Tribunal and its Registry must be established. While they assume complementary roles to support the implementation of the Competition Act, these two entities have different status, carry out different activities, and are subject to different accountability measures. One fundamental difference between the Tribunal and the Registry is that the former is a quasi-judicial body, while the latter is considered a federal department under the Financial Administration Act. In fact, the Financial Administration Act specifically excludes the Tribunal from the Registry's designation as a department. The Registry aims to provide high quality internal services to ensure the infrastructure is in place to assist the Tribunal in meeting its mandate.

2. Significant assumptions

The future-oriented statement of operations have been prepared on the basis of the government priorities and the plans of the department as described in the Report on Plans and Priorities.

The main assumptions are as follows:

(a) The Registry cannot forecast the Tribunal's workload; it can only react to and process applications as they are filed by Canadian enterprises and the Competition Bureau. The 2011-12 expenses are expected to be higher than for 2010-11 due to the impact of the increased jurisdiction of the Tribunal related to price maintenance practices.

(b) Forecast of 2011-2012 is based on the Main Estimates of 2011-2012.

(c) Estimated year-end information for 2010-11 is used as the opening position for the 2011-12 forecasts.

These assumptions are adopted as at December 31, 2010.

3. Variations and Changes to the Forecast Financial Information

While every attempt has been made to accurately forecast final results for the remainder of 2010-11 and for 2011-12, actual results achieved for both years are likely to vary from the forecast information presented, and this variation could be material.

In preparing the financial statement the Registry has made estimates and assumptions concerning the future. These estimates and judgements may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Factors that could lead to material differences between the future-oriented financial statement and the historical financial statements include:

(a) The timing and amounts of acquisitions and disposals of property, plant and equipment may affect gains/losses and amortization

(b) Further changes to the operting budget through additional new initiatives or technical adjustments later in the year.

(c) The actual number of cases received and the expenses that are directly related to them.

Once the Report on Plans and Priorities is presented, the Registry will not be updating the forecasts for any changes to appropriations or forecast financial information made in ensuing supplementary estimates.

4. Summary of Significant Accounting Policies

The future-oriented statement of operations has been prepared in accordance with the Treasury Board accounting policies stated below, which are based on Canadian generally accepted accounting principles for the public sector. The presentation and results using the stated accounting policies do not result in any signifiant differences from Canadian generally accepted accounting principles.

Significant accounting policies are as follows:

(a) Parliamentary appropriations

The Registry is financed by the Government of Canada through Parliamentary appropriations. The cash accounting basis is used to recognize transactions affecting parliamentary appropriations. The future-oriented statement of operations is based on accrual accounting. Consequently, items presented in the Future-oriented Statement of Operations are not necessarily the same as those provided through appropriations from Parliament. Note 5 provides a reconcialiation between the bases of reporting.

(b) Net cash provided by Government

The Registry operates within the Consolidated Revenue Fund (CRF) which is administered by the Receiver General for Canada. All cash received by the Registry is deposited to the CRF and all cash disbursements made by the Tribunal are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Revenues - are presented on an accrual basis:

- Other revenues are accounted for in the period in which they underlying transaction or event occurred that gave rise to the revenues.

(d) Expenses - are presented on an accrual basis:

- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services provided without charge by other government departments for accommodation and for the employer's contribution to the health and dental insurance plans are recorded as operating expenses at their estimated cost.

(e) Employee future benefits

i. Pension benefits: Eligible employees participate in the Public Service Pension Plan, a multiemployer plan administered by the Government of Canada. The Registry's contributions to the Plan are charged to expenses in the year incurred and represent the total Registry obligation to the Plan. Current legislation does not require the Registry to make contributions for any actuarial deficiencies of the Plan.

ii. Severance benefits: Employees are entitled to severance benefits under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(f) Tangible capital assets

All tangible capital assets and leasehold improvements having an initial cost of $3,000 or more are recorded at their acquisition cost. The Registry does not capitalize intangibles, works of art and historical treasures that have cultural, aesthetic or historical value, assets located on Indian Reserves and museum collections. Assets under construction are recorded in the applicable capital asset class in the year that they become available for use and are not amortized until they become available for use.

Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset Class	Amortization Period
Machinery and equipment	10 years
Informatics hardware	3 - 4 years
Other equipment	5-10 years
Leasehold Improvements	period of lease

5. Parliamentary Appropriations

The Registry receives its funding through expenditure authorities provided by Parliament. Items recognized in the statement of operations in one year may be funded through Parliamentary appropriations in prior, current or future years. Accordingly, the Registry has different net results of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Authorities requested

	Estimated Results 2011	Forecast 2012
	(in dollars)	
Vote 85 - Operating expenditures	1,907,001	2,159,832
Statutory amounts	132,034	144,716
Vote 25 - Operating Budget carry forward	93,026	95,350
Forecast authorities available	**2,132,061**	**2,399,898**

Forecast authorities requested for the year ending March 31, 2012 are the planned spending amounts presented in the 2011-12 Report on Plans and Priorities. Estimated authorities requested for the year ending March 31, 2011 include amounts presented in the 2011-12 Main Estimates and Supplementary Estimates (A) and (B), planned for presentation in Supplementary Estimates (C) and estimates to be allocated at year-end from Treasury Board central votes.

(b) Reconciliation of net cost of operations to requested authorities:

	Estimated Results 2011	Forecast 2012
	(in dollars)	
Net cost of operations	2,116,346	3,167,932
Adjustments for items affecting net cost of operations but not affecting authorities		
Add (Less):		
Services provided without charge	(675,644)	(677,965)
Amortization of tangible capital assets	(75,634)	(93,892)
Revenue not available for spending	75,000	-
Employee severance benefits	(7,673)	3,389
Vacation pay and compensatory leave	(3,413)	433
	1,428,981	2,399,897
Forescast current year lapse	703,080	-
Forecast authorities available	2,132,061	-

6. Employee benefits

a) Pension benefits

The Registry's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2 percent per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the Registry contribute to the cost of the Plan. The forecast expenses are $92,651 in 2010-11 and $101,590 in 2011-12, representing approximately 1.9 times the contributions of employees.

The Registry's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

b) Severance benefits

The Registry provides severance benefits to its employees based on eligibility, years of service and final salary. These severance benefits are not pre-funded. Benefits will be paid from future appropriations. Information about the severance benefits, estimated as at the date of these statements, is as follows:

	Estimated Results 2011	Forecast 2012
	(in dollars)	
Accrued benefit obligation, beginning of the year	241,012	233,025
Expense for the year	(7,673)	3,389
Expected benefit payments during the year	-	-
Accrued benefit obligation, end of the year	233,339	236,414

7. **Related party transactions**

The Registry is related as a result of common ownership to all Government of Canada departments, agencies and Crown Corporations. The department enters into transactions with these entities in the normal course of business and on normal trade terms. During the year, the department will have received services which were obtained without charge from other Government departments as disclosed below:

(a) Common services provided without charge by other government departments

During the year, the Registry is forecasted to receive without charge from other government departments accommodation and the employer's contribution to the health and dental insurance planes. These services without charge have been recognized in the department's future-oriented Statement of Operations as follows:

	Estimated Results 2011	Forecast 2012
	(in dollars)	
Accommodation	609,627	609,627
Employer's contribution to the health and dental insurance plans	66,017	68,338
Total	675,644	677,965

The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The cost of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada, are not included as an expense in the department's Future-oriented Statement of Operations.

(b) Other transactions with related parties

	Estimated Results 2011	Forecast 2012
	(in dollars)	
Expenses - Other government departments and agencies	146,300	200,000

8. **Segmented information**

	Estimated Results 2011 Total	Forecast 2012 Process Cases	Internal Services	Total
		(in dollars)		
Operating Expenses				
Salaries and employee benefits	985,812	692,027	321,180	1,013,207
Professional and special services	364,554	614,258	204,753	819,011
Accommodation	609,627	390,161	219,466	609,627
Utilities, materials and supplies	45,159	183,297	61,099	244,396
Transportation and telecommunications	86,676	220,716	73,572	294,289
Amortization of tangible capital assets	75,634	-	93,892	93,892
Rentals	4,438	29,205	9,735	38,939
Information	19,447	40,929	13,642	54,571
Total Operating Expenses	2,191,347	2,170,593	997,339	3,167,932
Revenues				
Miscellaneous	75,000	-	-	-
Total Revenues	75,000	-	-	-
Net Cost of Operations	2,116,347	2,170,593	997,339	3,167,932

9. **Segmented information**

	2011			2012		
	Process Cases	Internal Services	Total	Process Cases	Internal Services	Total
Operating Expenses						
Salaries and employee benefits	620,707.32	365,104.27	985,812	692,027	321,180	1,013,207
Professional and special services	86,167.33	278,386.31	364,554	614,258	204,753	819,010
Accommodation	390,161.22	219,465.78	609,627	390,161	219,466	609,627
Utilities, materials and supplies	34,769.22	10,389.84	45,159	183,297	61,099	244,396
Transportation and telecommunications	45,614.70	41,061.36	86,676	220,716	73,572	294,289
Amortization of tangible capital assets	-	75,633.73	75,634	-	93,892	93,892
Rentals	2,867.04	1,571.02	4,438	29,205	9,735	38,940
Information	19,235.96	210.65	19,447	40,928	13,643	54,571
Total Operating Expenses	**1,199,522.80**	**991,822.95**	**2,191,346**	**2,170,593**	**997,340**	**3,167,933**
Revenues						
Miscellaneous	75,000.00	-	75,000			
Total Revenues	**75,000.00**	**-**	**75,000**	**-**	**-**	**-**
Net Cost of Operations	**1,124,522.80**	**991,822.95**	**2,116,346**	**2,170,593**	**997,340**	**3,167,933**